



2011
ANNUAL REPORT

FILINVEST LAND, INC.

COVER STORY

RIPPLES OF PROGRESS.

A single drop of water spreads outward, gradually forming into waves that can change the entire landscape. In the same way, Filinvest Land, Inc. (FLI), by building the Filipino dream one home at a time, contributes to the spread of progress and development throughout the country. FLI takes pride in being the Filipino family's trusted partner in building his dream home, a role it has played for close to five decades.



Contents

Financial Highlights	1
Mission and Corporate Values	2
Message of the Chairman	3
Message of the President and CEO	4
Operational Highlights	7
Corporate Social Responsibility	14
Corporate Governance Report	16
Board of Directors & Senior Management	31
Consolidated Financial Statements	33
Map of Projects	38

FINANCIAL HIGHLIGHTS

(Amounts in Thousands of Pesos, Except Per Share Data)

	2008	2009	2010	2011
OPERATING RESULTS				
Revenues*	5,304,812	5,683,813	8,195,712	9,652,684
Net Income*	1,867,001	2,018,200	2,425,928	2,940,340
Net Income**	1,867,001	2,018,200	2,952,226	2,940,340
Return on Assets (avg)	4%	4%	4%	5%
Return on Equity (avg)	5%	5%	6%	7%

	2008	2009	2010	2011
FINANCIAL POSITION				
Total Assets	53,190,895	58,915,225	61,866,737	68,302,130
Total Long-Term Debt	7,046,400	11,921,205	11,910,408	16,488,016
Stockholders' Equity	37,959,515	39,177,473	41,691,251	43,680,999
No. of Shares Issued and Outstanding (000's)	24,249,759	24,249,759	24,249,759	24,249,759
Debt to Equity***	19%	30%	29%	38%
Net Debt to Equity****	12%	16%	24%	35%

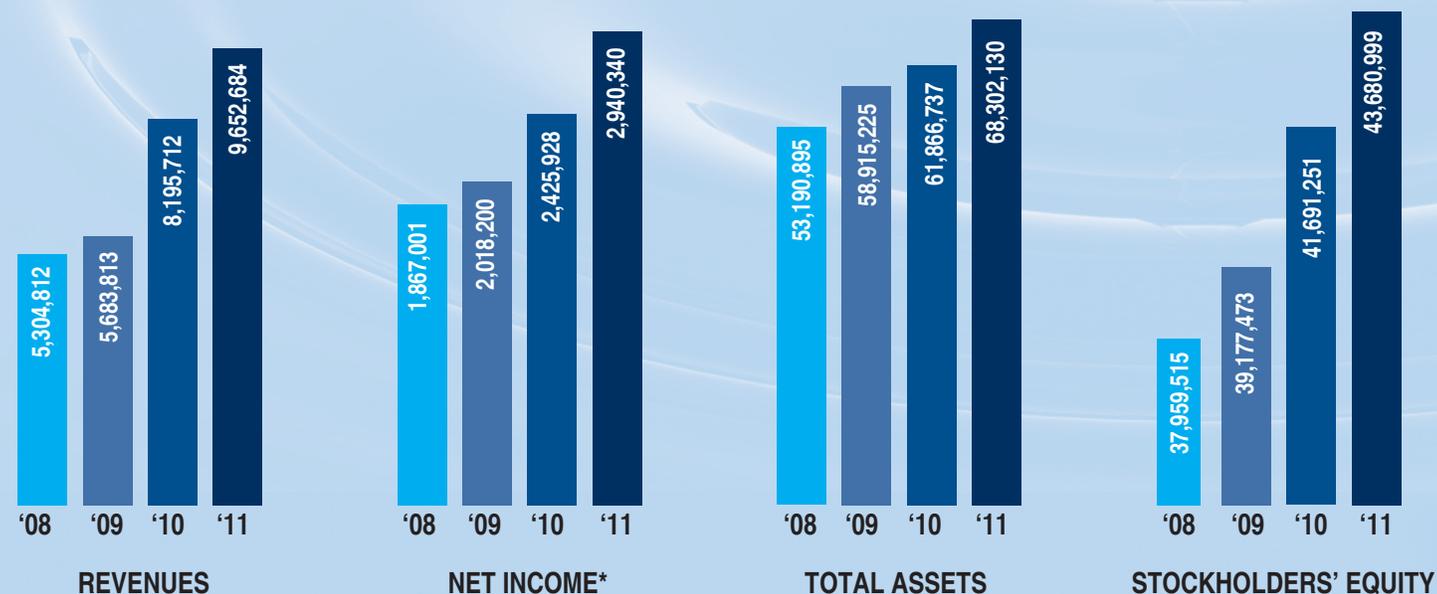
	2008	2009	2010	2011
PER SHARE DATA**				
Primary/Fully Diluted Earnings	Php 0.08	Php 0.09	Php 0.12	Php 0.12

* excluding one-time gain/extraordinary items

** including one-time gain/extraordinary items

*** computed as long-term debt divided by stockholders' equity

**** computed as long-term debt less cash and cash equivalents divided by stockholders' equity





MISSION

The mission of Filinvest Land, Inc. is to fulfill every Filipino's dream of having his own home. The primary responsibility of Filinvest is to the people that inhabit the cities, communities and homes it has created. Filinvest will continually contribute to the economic development of society and will always be a good corporate citizen.

OBJECTIVES

Filinvest shall provide its customers with universally competitive products that are valued not only for quality but in terms of affordability for all income levels. Only through research and development, innovation, and the use of appropriate technology can high quality services be provided.

Affordable housing shall always be a high priority in company endeavors. Coupled with safeguarding and maximum utilization of company assets, this long-term view (one of holding permanent the strategic health of Filinvest) should lead to better and sounder returns for stockholders.

The continuous pursuit of this mission can only result in industry leadership.

SHARED VALUES

In the delivery of service to its clients, high quality will be the one and only standard. A singularity of interest exists between the company and its employees. Providing good working conditions, compensation based on performance, opportunity for growth, and employment security are musts.

The core values of integrity, customer service, professionalism, teamwork, innovation and cost-effectiveness are highly valued. The highest standards of business and moral ethics shall be exercised.

The long-term strategic health of Filinvest will always be paramount over short-term financial gains.

The country's economy grew by 3.7% in 2011, slightly slower than 2010, largely due to the government's holding back on expenditures as the Aquino Administration, under an anti-corruption platform, was reviewing government contracts. In the midst of debt problems of some countries in the Eurozone, and turmoil in the Middle East and North Africa, the Philippines' economy remained resilient. The real estate industry, in particular, achieved record sales for residential developments and high demand for office and retail space.

Your Company again reported record sales in 2011, and realized a core net income of Php2.94 billion, 21% more than the core net income generated in 2010.

With over 90 projects nationwide, your Company continues on its mission of **Building the Filipino Dream** by providing Filipinos the opportunity of owning their own home. More than 60% of the over 12,000 units we are targeting to launch in 2012 are priced at Php1.5 million and below, falling under the socialized and affordable housing categories, making these truly within the means of the majority of the population.

2012 will be a challenging year, as we face an ever competitive business environment, coupled with inflationary pressures on the back of rising oil prices. But we remain optimistic given the relatively resilient Philippine economy, which is expected to sustain its growth.

Your company will continue to grow by providing more product offerings, but at the same time focusing on our core business of mass housing. We are increasing our retail and BPO office building portfolio, as well as expanding into other urban and regional centers nationwide. We will maintain a strong and prudent financial position, as we embark on this journey.

I would like to thank our stakeholders, our shareholders, employees and business partners who have stood by the Company through the years. We will continue to work together to bring the Company to even greater heights.



ANDREW L. GOTIANUN, SR.

Chairman of the Board



2011 was another challenging year. First of all, Gross Domestic Product (GDP) growth slowed to 3.7% from the 7.3% rate registered in 2010. In addition, inflation increased to 4.8% from the 3.8% in the previous year, driven primarily by higher oil prices as a result of the turmoil in the Middle East. At the same time, the international economy continued to languish due to the Euro crisis in Europe and slow growth in the U.S. Finally, the Philippine real estate sector was beset by increasingly tough competition.

Despite these challenges, not all was gloom and doom. The Philippines, together with most other Asian countries, continued to remain relatively insulated from the economic woes affecting the Western economies. Most importantly for the economy, Overseas Filipino Worker (OFW) remittances remained strong, growing by more than 7% year-on-year to U.S.\$20.1 billion.

Operating in such a difficult environment in 2011, we are gratified that Filinvest Land, Inc. (FLI) was able to grow across all its lines of business.

FINANCIAL PERFORMANCE AND FINANCIAL POSITION

In 2011, FLI generated total net income of Php2.94 billion, a 21% increase in core income compared to the Php2.43 billion in 2010. While total net income in 2010 reached Php2.95 billion, there was a one-off net gain of Php0.53 billion due to the Gain from Business Combination as a result of FLI purchasing our partner's shares in subsidiaries Cyberzone Properties, Inc. (CPI) and Filinvest AII Philippines, Inc. (FAPII).

The Residential Development Segment as represented by Real Estate Sales hit Php6.95 billion, a record for FLI and 23% more than in 2010. Around 91% of sales were from the Company's core business of socialized, affordable and middle-income housing, further strengthening our position as a prime provider of housing to the Filipino family.

Rental Revenues, on the other hand, coming from the Office and Retail Leasing Segments, increased by 8% to Php1.53 billion. 2011 saw the completion of Vector Two and the full-year contribution of Vector One. Occupancy rates in FLI's office portfolio hit 98% as a result of increased demand from the Business Process Outsourcing (BPO) sector. Festival Supermall, the largest regional mall in Southern Metro Manila, continued its market dominance while achieving a 94% occupancy rate.

FLI closed 2011 with Total Assets of Php68.30 billion and Stockholders' Equity of Php43.68 billion, making it the fourth largest real estate company in the country. With Cash Reserves of Php1.2 billion and a relatively low Debt-to-Equity Ratio of 0.38:1, FLI continues to maintain its financial flexibility to respond to changing market dynamics and to take advantage of business opportunities that may arise.



Because of its strong financial position, FLI is gratified that it has maintained a PRS Aaa credit rating for its outstanding bonds.

5 YEARS OF ACHIEVEMENTS

The accomplishments of 2011 are but a continuation of our record of achievements over the last few years.

In the last five years, from 2006 to 2011, FLI has tripled its Sales Reservations from Php3.8 billion to Php11.4 billion. Sales Revenues increased from Php2.72 billion to Php6.95 billion, or by 156%. Over the same period, Rental Revenues grew five-fold from Php306 million to Php1.53 billion. Net Income increased from Php872 million to Php2.94 billion, an increase of 237% over the last five years. As a result, Return on Equity (ROE) has jumped two-fold from 3.7% in 2006 to 7.2% in 2011. Over the same period, Return on Asset (ROA) has increased from 2.5% to 4.5%.

Total Assets, on the other hand, rose from Php41.00 billion to Php68.30 billion with Stockholders' Equity increasing 48% from Php29.56 billion to Php43.68 billion.

In addition, from 2008 to 2011, with the approval of your Board, your Company has paid out Php3.04 billion in cash dividends, representing 35% of core net income from 2007 to 2010.

STRATEGIC FOCUS

In 2011, FLI launched its strategic plan for the next five years. The core strategy of this five-year plan is for FLI to concentrate on expanding its dominant position as one of the top housing suppliers to the majority of Filipino families. We intend to achieve this by capitalizing on our advantage as the biggest Medium-Rise Building (MRB) developer in the country today. We believe that MRBs are the best housing alternative for the urban Filipino family and we will expand our base from 11 projects nationwide to 16 by 2013. We will also expand our nationwide footprint from being in 40 towns and cities nationwide, to 43 locations by 2013.

We intend also to expand our BPO office portfolio aggressively in the next five years. By 2012, FLI will have an office portfolio of over 178,000 sq. m in terms of Gross Leasable Area (GLA), making FLI one of the biggest office landlords in the country. By 2016, FLI plans to have a portfolio of more than 371,000 sq. m of GLA,

an increase of 108%. To achieve this, FLI shall expand its presence outside of its current Alabang core and into other sites in Metro Manila and other key urban areas. In the first giant step in this direction, FLI bid for and won the right to develop a 1.2-hectare property owned by the Cebu Provincial Government, in early 2012, into a BPO office complex. When completed, this project will add an estimated 87,000 sq. m in GLA to FLI's office portfolio.

Aside from the office sector, FLI is also undertaking a major expansion of its retail leasing business. 2011 saw the start of the expansion of Festival Supermall in Alabang. The expansion will increase GLA by 57,000 sq. m, bringing total GLA to 192,000 sq. m and reinforcing Festival Supermall's position as the largest and the premier regional mall of Southern Metro Manila. FLI has also started the development of its Il Corso retail development in the South Road Properties (SRP) in Cebu City. When completed, Phases 1 and 2 of the project will provide 35,000 sq. m of GLA.

We will achieve all this while maintaining our position as one of the most profitable real estate companies in terms of project and operational profitability ratios. We will not target sales growth for the sake of sales growth alone. Revenue growth must go hand in hand with profitability growth. It is, therefore, FLI's strategic objective to achieve the industry average Return on Equity of 10% by 2014, and above that in 2015 and beyond.

We shall support our ambitious strategic plans with a very strong financial commitment built upon a solid financial foundation and an impeccable credit track record built over the last 50 years. For 2012 alone, FLI has budgeted Php15 billion for our capital expenditures.

We shall also aggressively market and expand the Filinvest brand so that its position as the leading supplier of homes to the Filipino family will be further strengthened and enhanced. In this regard, we are very happy to report that we have been successful in inviting Ms. Kris Aquino to be our first ever celebrity endorser. We believe that Ms. Aquino is the perfect Brand Ambassador for FLI because she is trusted and well-respected, and she believes in the FLI commitment of building the Filipino dream of owning one's own home.

SUSTAINABILITY AND RESPONSIBILITY

As FLI moves forward towards its strategic objectives, it shall be guided by the principles of sustainability and social responsibility. Our MRB projects are a perfect

example of this. From the design to the construction and delivery of the final product, we incorporate features that minimize the impact on the environment. Our MRB projects only use a maximum of 35% of the land area for buildings, leaving 65% for open space, greenery and trees, giving residents a true oasis amidst the urban sprawl. Our construction methodology relies on reusable forms which save 3,000 pieces of plywood and 85,000 board feet of lumber per building, or 40,000 pieces of plywood and 1.1 million board feet of lumber per year. In addition, all the buildings are constructed with the aim of maximizing natural light and ventilation.

Timberland Heights, our keystone master-planned township development in the outskirts of Quezon City, is another example of sustainable and environmentally sound development. 50% of the 677-hectare property will be retained as open space and linear parks. Indigenous trees, natural streams and waterfalls are maintained and highlighted throughout the development. In addition, FLI targets to plant hundreds of thousands of additional trees over the life of the project. Timberland Heights will truly be a township development with nature as its theme and core value.

FLI and its employees continue to share our blessings with the less fortunate members of the Filipino family. In 2011, we donated Php350,000 to the victims of Typhoon Sendong through the Ateneo Sendong Disaster Fund. We also donated another Php200,000 to the relief operations of the Davao City Government for those affected by the flash floods in July 2011.

Your Company also continues to support the Bethlehem Day Care Foundation, Inc. located in the Inayawan Garbage Dumpsite across the South Road Properties in Cebu. The day care center provides scholarships, uniforms and school supplies to the children of families who make a living by scavenging in the dumpsite.

More recently, FLI, together with the Filinvest Group, donated five “silid-pangarap” units to the Aklat, Gabay, Aruga tungo sa Pag-angat at Pag-asa (AGAPP) Foundation. A “silid-pagarap” is a one-storey, two-room school-library facility that serves as a pre-school classroom for schools in depressed and disadvantaged communities. The aim of AGAPP is to elevate the quality of pre-school education in the country and plant the roots of literacy in the early years of childhood, so that underprivileged children have a better chance of success in school in the future.

Our employees are our most valued resource and in 2011 we continued to develop this very important asset. We conducted numerous training programs aimed at enhancing skills, improving productivity and developing leadership. The highlight of this was a half-day seminar conducted by a renowned motivational speaker on “Winning Attitudes of Success.” In addition, to help the FLI family members remain healthy and fit, your Company offered wellness programs covering nutrition and diet, work ergonomics and disease awareness and prevention. A subsidized flu vaccination program was also offered for interested participants. The Filinvest blood bank, set up under an agreement with the Philippine National Red Cross (PNRC), continues to grow and expand as more employees participate in the program.

LOOKING FORWARD

2012 will be another year of change and transition. 2012 will see FLI move from its historic San Juan office to a new and more accessible head office along EDSA in Mandaluyong. FLI will be launching 14 new projects and will be initiating projects in several new locations. It will expand its BPO office and Commercial Mall businesses. New blood will also be infused as several executives reach retirement age and are replaced by the next generation of professional management.

Despite the challenges ahead, we look towards 2012 with optimism. We believe that grounded on solid financial foundation, guided by sound strategies, backed up by an efficient staff, led by a seasoned management and experienced Board of Directors, and supported by its loyal shareholders, your Company, FLI, shall continue to succeed and achieve even greater things in the future in its mission of building the Filipino dream. Thank you for your continued support.



JOSEPH M. YAP
Director & President/CEO

OPERATIONAL HIGHLIGHTS

Amid the challenging economic landscape of 2011, Filinvest Land, Inc. (FLI) achieved sales reservations of Php11.4 billion, a 15% increase over the previous year's level of Php9.9 billion.

FLI's core business of mass housing (socialized housing, affordable housing and middle-income housing) accounted for the bulk of sales generated in 2011. Socialized housing contributed 6% while affordable housing or units priced between Php400,000 to Php1.5 million provided 11% of sales. Middle-income housing units, which are priced from Php1.5 million to Php4 million accounted for 77% of sales. Middle-income housing includes condominium units in mid-rise buildings (MRBs).

Strengthening Dominance in Mass Housing

FLI continued to expand its market leadership in mass housing in 2011. To serve the widest segment of Filipino families, the Company aggressively rolled out a string of affordable and middle-income products with new minimalist house models. More than 1,700 units were made available through six new affordable housing projects and phases of existing projects in Batangas, Bulacan, Cavite, Laguna, Pampanga and Rizal, while close to 900 new units were made available in middle-income subdivisions in Cavite, Laguna and Tarlac.



Launched last year were Amare Homes, The Residences at Castillion Homes and Valle Dulce in Pueblo Solana. In addition, a string of new communities are being prepared for launch in 2012. Among these are Sandia Homes, Savannah Fields, Valle Alegre in Pueblo Solana and expansion phases in existing communities.

In order to sustain its sales momentum, FLI will continue to invest in research and development to develop new product offerings as well as offer alternative financing schemes to enable more Filipinos to fulfill their dreams of owning their own home.

Maintaining Primacy in MRB Development

FLI continued to increase its dominance in the MRB segment of the real estate market by launching two new projects in 2011, with close to 1,200 units.

The Company fast-tracked development of its Oasis communities in Metro Manila and the regional centers of Cebu and Davao. These refreshing low-density enclaves composed of medium-rise buildings (MRBs) clustered around resort-style amenities continued to enjoy enthusiastic response from the market in 2011. FLI currently has 11 MRB projects.

Bali Oasis 2 was launched in Pasig City, featuring four 9-storey buildings a short distance away from the successful Bali Oasis along Marcos Highway. Asiana Oasis, inside Multinational Village in Parañaque, was likewise successfully introduced to an upscale market. This Zen-inspired community features four 5-storey MRBs with a virtually car-free concept.

In 2011, FLI completed the construction of 13 buildings in One Oasis Ortigas, Bali Oasis, Maui Oasis, Capri Oasis, Sorrento Oasis and One Oasis Cebu, and has started turning these over to buyers. More buildings are expected to be completed in 2012 in these projects, as well as in Amalfi Oasis, Sanremo Oasis and One Oasis Davao.

Bali Oasis 2



Asiana Oasis



Capri Oasis



FLI is gearing up for the launch of the Asian-themed Girin Oasis in the first half of 2012, an eight-hectare development master-planned by foreign designers and located in Cainta, Rizal. The Company will also launch its first MRB project in Quezon City. New themes and amenities are also in the pipeline to further enhance the relaxing ambience of these urban havens.

Growing Presence in High-Rise Sector

In 2011, FLI further strengthened its presence in the high-rise market with innovative projects in Metro Manila.

The Linear in Makati City broke ground in late 2011. Construction is now in full swing for the two-tower condo complex. The 21-storey Studio Zen along Taft Avenue, Pasay City, successfully launched in mid-2011, is targeted to provide a residential option for students in the various colleges



Studio Zen



Vinia Residences + Versaflats

and universities in the area. FLI announced its first high-rise building project in Quezon City, the 25-storey Vinia Residences + Versaflats, along EDSA. Versaflats are condominium units that may be used for residential or office purposes, and are targeted for young professionals and budding entrepreneurs. FLI is looking at launching its second high-rise building project in Quezon City in 2012.

Enhancing Township Developments

FLI's expansive township projects continued to flourish with the introduction of new projects and phases in 2011.

Timberland Heights is the keystone master-planned township project of FLI. As of the end of 2011, FLI had already developed over 100 hectares of the 677-hectare Timberland Heights, a mountain suburban township located just 15 minutes away from Batasang Pambansa in Quezon City. To date, the township is home to five subdivisions including Mandala 1 & 2, The Ranch, Banyan Ridge and Banyan Crest.

To further enhance the township, a new master plan for the remaining undeveloped areas of Timberland Heights has been completed by a team of world-class designers. Around 73 hectares have been earmarked for middle-income housing and the first phase is targeted to be launched in 2012. Since the township is becoming a choice destination for sports and nature activities, the demand for residences and accommodations is expected to keep pace. FLI will also launch a condotel project right across the Timberland Sports and Nature Club to augment the existing 24 rooms at the club.

The inspiring environs of Timberland Heights also played host to several major outdoor events such as Merrell Adventure Run, All-Terra King of the Mountain



Condotel at Timberland Heights



Lia townhouse at Anila Park



Villa Montserrat 3

Run and Bike event and the SEA Games Cycling Qualifying Rounds.

Additional communities breathed new life into the Havila township, which spans over 300 hectares in Antipolo, Angono and Taytay in Rizal. Led by Anila Park, The Terraces and Villa Montserrat 3, these new developments made use of contemporary architecture to adapt to the changing needs of our target markets. A new middle-income subdivision is targeted for launch within Havila in 2012, as well as another phase of Sta. Sofia in Mission Hills.

Expanding Nationwide Presence

Expanding FLI's nationwide presence is one of our primary strategic initiatives. In Northern Luzon, FLI continued to expand the product offerings in its Claremont and Hampton Orchards projects in Pampanga, as well as its Somerset Lane project in Tarlac.

At South Road Properties in Cebu, development of Citta di Mare gained momentum with construction at the Amalfi Oasis and Sanremo Oasis residential communities in full blast. In addition, a 4.2-hectare portion of the property has been allocated for a new high-end residential enclave.

One major milestone for 2011 is the turnover of the condotel units of Grand Cenia to Filarchipelago for its operations as a three star hotel called Quest Hotel and Conference Center Cebu, complete with business and conference facilities. On February 1, 2012, Quest Hotel soft-opened its doors to the traveling public.

On Samal Island in Davao, the resort community of Kembali Coast expanded its product range by launching Kembali Horizons, a cluster of three-storey residential buildings offering condominium units to the public.



Amalfi Oasis



Sanremo Oasis



Claremont



Quest Hotel and Conference Center Cebu

In 2012, FLI will expand its geographical reach even further as it expands to other urban and regional growth centers throughout the country.

Building Up Recurring Income

Retail revenues remained strong in 2011 at Festival Supermall in line with our brand new marketing campaign – “Mall than you can imagine.” Well-known brands such as Krispy Kreme, Cushe, Primadonna, House of Obagi and Skin Station joined the ever-growing roster of tenants. With a full calendar of activities and a continuously expanding list of attractions, Festival Supermall continued to reign as the biggest and most dominant regional mall in Southern Metro Manila.

Plans for the much-anticipated Festival Supermall expansion were completed in 2011, with groundbreaking for phase 1 already underway. Upon completion in 2014, this ambitious expansion program will add 57,000 square meters of Gross Leasable Area (GLA) for retail and food & beverage outlets to complement the existing 135,000 square meters of GLA. The Water Gardens and a River Park will be major attractions of the mall. FLI will also start renovating the existing mall in phases, with final completion targeted for 2016.

Krispy Kreme's first branch in Southern Metro Manila



Filinvest EDSA BPO Building

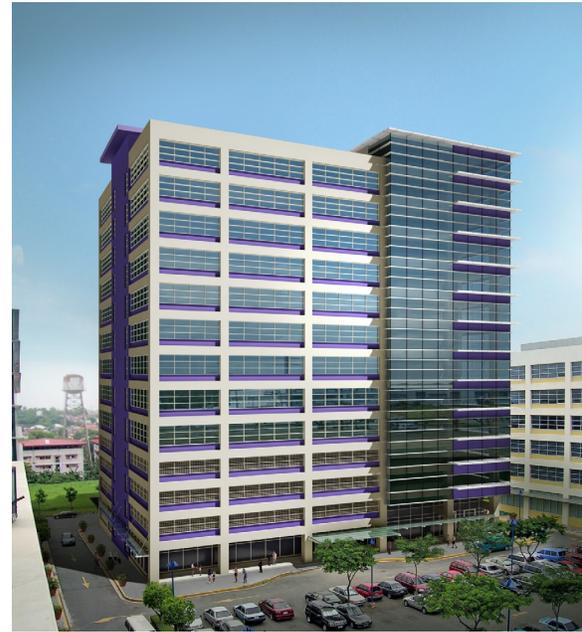


In Cebu, the Il Corso lifestyle strip at Citta di Mare has started taking shape. Development of phases 1 and 2, covering seven hectares, is underway and will have a total GLA of over 35,000 square meters. The first phase of development is targeted to come on stream by late 2013, and should be totally completed in 2014. The project includes a new Festival mall, complete with retail, dining and recreational facilities, as well as a recreational sand area and a large exhibition tent.

In 2011, FLI expanded its portfolio of BPO office buildings through its subsidiary, Cyberzone Properties, Inc. (CPI). Vector Two, FLI's twelfth building within the BPO campus, was completed in October and has been fully leased out. This brought the total office portfolio of FLI to over 168,000 square meters of GLA, with an occupancy rate of almost 100%.

Additional buildings are in the pipeline and will add another 60,000 square meters of GLA to FLI's BPO office building portfolio by 2014. The Filinvest Building along EDSA is targeted for completion in the third quarter of 2012, and will add 7,000 square meters of GLA. Construction is ongoing at a 10-storey building in Northgate Cyberzone, while plans are being finalized for Plaz@ E which will have 12 floors.

In a major move to expand our BPO presence outside of Metro Manila, FLI recently bid for and was awarded the Build Transfer Operate (BTO) contract for a 1.2-hectare property on Salinas Drive, Lahug, Cebu City owned by the Province of Cebu. FLI intends to construct four BPO office buildings on the property. The Company is targeting to break ground on the first building with a GLA of 15,000 square meters in the second quarter of 2012. With this first BPO office building project outside Metro Manila, FLI is targeting to expand its presence further in other urban areas.



Plaz@ E



Vector One & Two

Filinvest Land, Inc. (FLI) goes beyond helping Filipinos **Build the Filipino Dream** of owning their homes. Your Company and its employees engage in a number of activities to share with those who have less in life and to do our part in community service.

Educational Advocacy

Education has been one of the major advocacies of FLI and the Filinvest Group throughout the years.

In 2011, the Andrew Gotianun Foundation (AGF) continued to give support to the Sandiganan sa Pagpapalambo sa Kabataan (SAPAK) Experimental Farm in Compostela, Cebu. An additional Php720,000 was donated to SAPAK in 2011, a cause that has been supported by AGF since 2003. SAPAK is headed by Father Emmanuel V. Non, S.J. and is a pioneering effort at integrated human development for girls and boys aged seven to 21 who are victims of poverty and neglect.

Your Company also continues to give a monthly donation to the Bethlehem Day Care Foundation, Inc. located in the Inayawan Garbage Dumpsite, in Dumlog, Talisay, Cebu, across the South Road Properties. The day care center provides scholarships, supplemental feeding, uniforms and school supplies to the children of families who scavenge in the dumpsite. The day care also provides substitute parenting for pre-school children (aged three to six) which entails more than just watching over the child and protecting him from physical harm. Mental stimulation and value inculcation are also provided, as well as encouraging socialization, basic knowledge and skills for daily living.

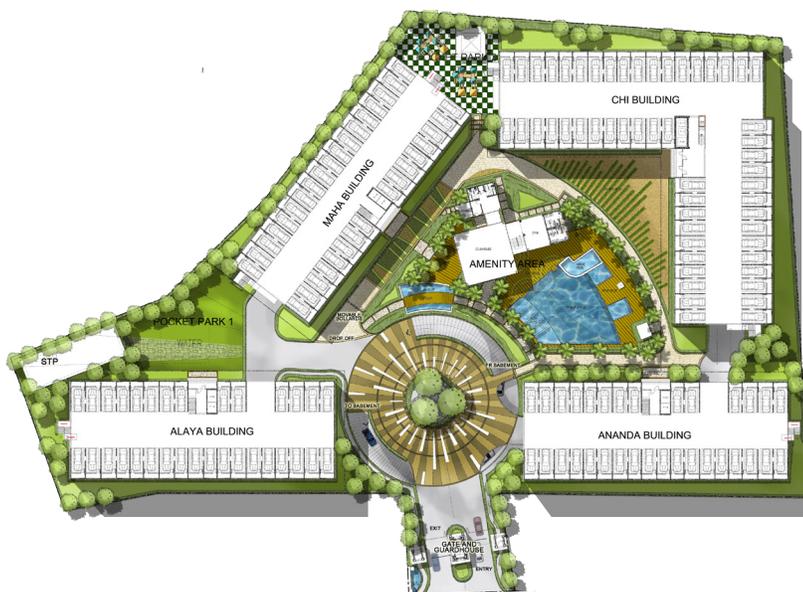
A major commitment of FLI, together with the Filinvest Group, is that it recently donated funds to support Kris Aquino's commitment to donate five "silid-pangarap" units to the Aklat, Gabay, Aruga tungo sa Pag-angat sa Pag-asa (AGAPP) Foundation, whose aim is to elevate the quality of pre-school education in the country and plant the roots of literacy in the early years of childhood, so that underprivileged children have a better chance of staying in school in the future. A "silid-pangarap" is a one-storey, two-room school-library facility that serves as a pre-school classroom for schools in depressed and disadvantaged communities.

Concern for the Environment

As we move forward, your Company's concern for the environment is foremost in its priorities. In FLI's mid-rise building (MRB) projects, the design, construction and final product incorporate features that try to minimize the impact on the environment. FLI's MRB projects only use a maximum of 35% of the land area for the buildings' footprint, leaving 65% of the land area for open spaces. This gives residents an Oasis from the corporate jungle that is Metro Manila. Reusable forms are used during construction and it is estimated that a typical five-story building saves about 3,000 pieces of plywood and 85,000 board feet of lumber as a result of this technology. All MRB projects have their own sewage treatment plants (STP) and garbage is segregated and reusable materials recycled. In the parking areas, grass pavers are used so that rainwater may be absorbed into the soil. The buildings are designed to have single-loaded exterior corridors to take advantage of natural ventilation and lighting, thereby saving on electricity.

At Timberland Heights, the Company's 670-hectare township project in Rizal, regular tree planting activities participated in by different sectors such as LGUs, NGOs, schools and corporations continue. In 2011, 3,500 trees were added to Timberland Heights, bringing to over 14,000 the number of trees planted as of the end of 2011.

Asiana Oasis site development plan



Outreach Activities

FLI and its employees continue to share their blessings with our less fortunate brothers, especially those that were affected by the natural calamities that hit the country in 2011.

In July, heavy rains caused flash floods in Davao and FLI donated Php200,000 to the relief operations of the Davao City Government, and also helped in the distribution of relief goods. In December, areas in the Visayas and Mindanao were affected by Typhoon Sendong and FLI donated Php350,000 to the typhoon victims through the Ateneo Sendong Disaster Fund.

Relief Operations in Davao

FLI employees visited the Hospicio de San Jose in Manila for its annual Christmas Outreach Program on November 26, 2011. Dubbed “Handog Aginaldo sa mga Batang Hospicio”, each FLI employee who participated in the program adopted a child for the day, and had fun and games with the more than 100 children who live in the hospice. Aside from donations in kind, consisting of slippers, milk products, toiletries and clothing, FLI and its employees were also to raise Php100,000 as a cash gift to the institution.

Personnel Development

FLI’s employees are its most valued resource and the Company continues to conduct training programs aimed at enhancing skills, improving productivity and developing leadership.

In 2011, FLI conducted a total of 28 sessions of different training programs participated in by 323 employees. The training programs range from the orientation of new employees to technical training for engineers and customer service. The Company also had its second Management Training Program, designed to train and develop fresh graduates to become FLI’s future leaders.

We continued our blood-letting program under an agreement with the Philippine National Red Cross (PNRC) where an exclusive blood bank for Filinvest employees and their dependents was established. Two blood-letting sessions were conducted in 2011, in April and September.

Wellness programs were also conducted to help the FLI family keep a healthy balance between work and home life. The wellness programs covered diet and nutrition, awareness on dengue and leptospirosis, and work ergonomics.

The Annual General Assembly was held in February, where FLI employees were briefed on the previous year’s performance. The Company’s goals and targets for the following year were unveiled, and employees were rallied to “go the extra mile” in achieving those goals.



Francis Kong

This annual event also recognizes the achievements of various units, helps boost morale and rallies the FLI family to work as a team.

FLI invited motivational speaker Francis Kong to speak to its employees in October. This helped provide the extra push at the tail-end of the year to rally the employees, enforce teamwork and encourage them to do their best.

For 2012, the FLI Superheroes campaign was launched during the Annual General Assembly. FLI employees are encouraged to nominate their peers whom they feel best embody the qualities of FLI superheroes. The winners of the FLI Superheroes will be individuals, a project group and a support group. The winners will be those who best live up to the Company’s corporate values of integrity, customer service, professionalism, teamwork, innovation and cost-effectiveness. Awards will be given to the winners in next year’s General Assembly.



Relief operations in Davao



Christmas outreach program



FLI annual General Assembly

Your Company has always been a firm believer in good Corporate Governance and has always abided by the core values of its founder, Mr. Andrew L. Gotianun, of integrity, fairness and financial responsibility. These principles have been incorporated in the Company's Code of Ethics as well as in its Corporate Governance Manual. Today, Filinvest Land, Inc. (FLI) continues to operate guided by its corporate core values of Integrity, Teamwork, Professionalism, Innovation, Customer Service and Cost-effectiveness.

Compliance with Best Practices on Corporate Governance

For the year 2011, FLI fully complied with the Philippine Stock Exchange (PSE) and the Securities and Exchange Commission (SEC) regulatory requirements. It is also in compliance with its Manual for Corporate Governance. In particular, your Company wishes to highlight the following: (a) the election of two (2) independent directors to the Board; (b) the appointment of members of the audit, nomination and compensation committees; (c) the conduct of regular quarterly board meetings and special meetings, the faithful attendance of the directors at these meetings and their proper discharge of duties and responsibilities as such directors; (d) the submission to the SEC of reports and disclosures required under the Securities Regulation Code; (e) FLI's adherence to national and local laws pertaining to its operations; and (f) the observance of applicable accounting standards by FLI.

On February 28, 2011, your Company filed a Revised Manual on Corporate Governance in order to update it to reflect current best practices.

In order to keep abreast of best practices in Corporate Governance, the members of the Board and top management have all attended seminars on corporate governance initiated by duly accredited institutions.

FLI constantly reviews its Corporate Governance practices and welcomes proposals, especially from institutions and entities such as the SEC, PSE and the Institute of Corporate Directors.

FLI is gratified to report that the Company garnered a silver award with a score of 91.25% for its Corporate Governance Scorecard as rated by the Institute of Corporate Directors. This is an improvement from the 89.05% score your Company received for the previous year. Moving forward, FLI will strive to improve its score and garner higher awards.

Board of Directors

Leading the practice of good Corporate Governance is the Board of Directors. Your Board of Directors is firmly committed to the adoption of and compliance with the best practices in Corporate Governance as well as the observance of all relevant laws, regulations and ethical business practices.

Nominations and Voting for the Board of Directors

The members of the Board are elected during the annual stockholders' meeting. The stockholders of FLI may nominate individuals to be members of the Board of Directors.

The Nomination Committee receives nominations for independent directors as may be submitted by the stockholders. After the deadline for the submission thereof, the Nomination Committee meets to consider the qualifications as well as grounds for disqualification, if any, of the nominees based on the criteria set forth in FLI's Revised Manual on Corporate Governance and the Securities Regulation Code. All nominations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees. The Nomination Committee shall then prepare a Final List of Candidates enumerating the nominees who passed the screening. The name of the person or group of persons who recommends nominees as independent directors shall be disclosed along with his or their relationship with such nominees.

Only nominees whose names appear on the Final List of Candidates shall be eligible for election as independent directors. No other nomination shall be entertained after the Final List of Candidates shall have been prepared. No further nomination shall be entertained or allowed on the floor during the annual meeting.

The conduct of the election of independent directors shall be in accordance with FLI's Manual on Corporate Governance. In 2008, FLI filed with the SEC its application for the amendment of the by-laws to include the procedure that will govern the nomination and election of independent directors. This procedure is consistent with FLI's Revised Manual on Corporate Governance and Rule 38 of the Securities Regulation Code. The approval by the Commission on said application was issued on April 8, 2009. The power of the Board to amend the By-Laws has been delegated by the stockholders representing two-thirds (2/3) of FLI's outstanding capital stock in an annual meeting of said stockholders on May 27, 1994.

It shall be the responsibility of the Chairman of the annual meeting to inform all stockholders in attendance of the mandatory requirement of electing independent directors. He shall ensure that independent directors are elected during the annual meeting. Specific slots for independent directors shall not be filled up by unqualified nominees. In case of failure of election for independent directors, the Chairman of the meeting shall call a separate election during the same meeting to fill up the vacancy.

A stockholder may vote such number of shares for as many persons as there are directors to be elected. He may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares, or he may distribute them on the same principle among as many candidates as he shall see fit: Provided, that the total number of votes cast by him shall not exceed the number of shares owned by him as shown in the books of FLI multiplied by the whole number of directors to be elected.

The directors of FLI are elected at the annual stockholders' meeting, to hold office until their respective successors have been duly appointed or elected and qualified. Vacancies in the Board occurring mid-term are filled as provided in the Corporation Code and FLI's Revised Manual on Corporate Governance. Officers and committee members are appointed or elected by the Board of Directors typically at its first meeting following the annual stockholders' meeting, each to hold office until his successor shall have been duly elected or appointed and qualified.

Independent Directors

Before the annual meeting, a stockholder of FLI may nominate individuals to be independent directors, taking into account the following guidelines:

- A. "Independent director" means a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgement in carrying out his responsibilities as director in any corporation that meets the requirements of Section 17.2 of the Securities Regulation Code and includes, among others, any person who:
 - i. Is not a director or officer or substantial stockholder of FLI or of its related companies or any of its substantial shareholders (other than as an independent director of any of the foregoing);
 - ii. Is not a relative of any director, officer or substantial stockholder of FLI, any of its related companies or any of its substantial shareholders. For this purpose, "relative" includes spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
 - iii. Is not acting as a nominee or representative of a substantial shareholder of FLI, any of its related companies or any of its substantial shareholders;
 - iv. Has not been employed in an executive capacity by FLI, any of its related companies or any of its substantial shareholders within the last two (2) years;
 - v. Is not related as a professional adviser by FLI, any of its related companies or any of its substantial shareholders within the last two (2) years, either personally or through his firm;

- vi. Has not engaged and does not engage in any transaction with FLI or any of its related companies or any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms-length and are immaterial or insignificant.
- B. When used in relation to FLI subject to the requirements above:
- i. “Related company” means another company which is: (a) its holding company, (b) its subsidiary, or (c) a subsidiary of its holding company; and
 - ii. “Substantial shareholder” means any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.
- C. An independent director of FLI shall have the following qualifications:
- i. He shall have at least one (1) share of stock of FLI;
 - ii. He shall be at least a college graduate or he shall have been engaged in or exposed to the business of FLI for at least five (5) years;
 - iii. He shall possess integrity/probity; and
 - iv. He shall be assiduous.
- D. No person enumerated under Section II (5) of the Revised Manual of Corporate Governance shall qualify as an independent director. He shall likewise be disqualified during his tenure under the following instances or causes:
- i. He becomes an officer or employee of FLI, or becomes any of the persons enumerated under items (A) hereof;
 - ii. His beneficial security ownership exceeds 10% of the outstanding capital stock of FLI;
 - iii. He fails, without any justifiable cause, to attend at least 50% of the total number of board meetings during his incumbency unless such absences are due to grave illness or death of an immediate family member;
 - iv. If he becomes disqualified under any of the grounds stated in FLI’s Revised Manual on Corporate Governance.
- E. Pursuant to SEC Memorandum Circular No. 09, Series of 2011, which took effect on January 2, 2012, the following additional guidelines shall be observed in the qualification of individuals to serve as independent directors:
- i. There shall be no limit in the number of covered companies that a person may be elected as independent director, except in business conglomerates where an independent director can be elected to only five (5) companies of its conglomerate, i.e., parent company, subsidiary or affiliate;
 - ii. Independent directors can serve as such for five (5) consecutive years, provided that service for a period of at least six (6) months shall be equivalent to one (1) year, regardless of the manner by which the independent director position was relinquished or terminated;
 - iii. After completion of the five-year service period, an independent director shall be ineligible for election as such in the same company unless the independent director has undergone a “cooling off” period of two (2) years, provided, that during such period, the independent director concerned has not engaged in any activity that under existing rules disqualifies a person from being elected as independent director in the same company;

- iv. An independent director re-elected as such in the same company after the “cooling off” period can serve for another five (5) consecutive years under the conditions mentioned in paragraph (ii) above;
- v. After serving as independent director for ten (10) years, the independent director shall be perpetually barred from being elected as such in the same company, without prejudice to being elected as an independent director in other companies outside the business conglomerate;
- vi. All previous terms served by existing independent directors shall not be included in the application of the term limits.

Members of the Board of Directors, Attendance and Committee Memberships

The following table lists down the members of the Board of Directors and their attendance in Board Meetings during CY 2011.

Name of Director	Number of Meetings Attended	Percentage of Meetings Attended
Andrew L. Gotianun, Sr.	6 of 7	86%
Lourdes Josephine G. Yap	7 of 7	100%
Andrew T. Gotianun, Jr.	6 of 7	86%
Jonathan T. Gotianun	7 of 7	100%
Joseph M. Yap	7 of 7	100%
Efren C. Gutierrez	7 of 7	100%
Cornelio C. Gison	7 of 7	100%
Cirilo T. Tolosa (<i>Independent Director</i>)	7 of 7	100%
Lamberto U. Ocampo (<i>Independent Director</i>)	6 of 7	86%

The following table lists down the attendance of the Board of Directors during the April 15, 2011 Annual Stockholders’ Meeting and their memberships in the different Committees:

Name of Director	Attended April 15, 2011 Annual Stockholders’ Meeting	Member of the Following Committees
Andrew L. Gotianun, Sr. *	Yes	Executive Committee, Compensation Committee (Chair), Nomination Committee (Chair)
Andrew T. Gotianun, Jr.	Yes	Executive Committee, Technical Committee (Chair)
Joseph M. Yap	Yes	Executive Committee, Technical Committee
Lourdes Josephine G. Yap	Yes	Executive Committee (Chair), Compensation Committee, Nomination Committee
Jonathan T. Gotianun	Yes	Executive Committee, Audit Committee, Compensation Committee
Efren C. Gutierrez	Yes	None
Cornelio C. Gison	Yes	Audit Committee
Cirilio T. Tolosa (<i>Independent Director</i>)	Yes	Audit Committee (Chair)
Lamberto U. Ocampo (<i>Independent Director</i>)	Yes	Compensation Committee, Nomination Committee, Technical Committee

Duties and Responsibilities of the Different Board Committees

Executive Committee

The functions, duties and responsibilities of the Board of Directors may be delegated, to the fullest extent permitted by law, to an Executive Committee to be established by the Board of Directors. The Executive Committee shall consist of five (5) members, and least three (3) of whom shall be members of the Board of Directors. All members of the Executive Committee shall be appointed by and under the control of the Board of Directors.

The Executive Committee may act on such specific matters within the competence of the Board of Directors as may be delegated to it by a majority vote of the Board of Directors, except with respect to: (i) approval of any action for which shareholders' approval is also required; (ii) the filing of vacancies in the Board of Directors; (iii) the amendment or repeal of these By-Laws or the adoption of new by-laws; (iv) the amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable; and (v) the distribution of cash dividends to shareholders.

The act of the Executive Committee on any matter within its competence shall be valid if (i) it is approved by the majority vote of all its members in attendance at a meeting duly called where a quorum is present and acting throughout, or (ii) it bears the written approval or conformity of all its incumbent members without necessity for a formal meeting.

The Executive Committee shall hold its regular meeting at least once a month or as often as it may determine, in the principal office of the Corporation or at such other place as may be designated in the notice. Any member of the Executive Committee may, likewise, call a meeting of the Executive Committee at any time. Notice of any meeting of the Executive Committee shall be given at least seven (7) business days prior to the meeting or such shorter notice period as may be mutually agreed. The notice shall be accompanied by (i) a proposed agenda or statement of purpose and (ii) where possible, copies of all documents, agreements and information to be considered at such meeting.

Audit Committee

The Board shall constitute an Audit Committee to be composed of at least three (3) Director-members, preferably with accounting and financial background, one of which shall be an independent director and another should have related audit experience.

The Chairman of this Committee should be an independent director. He should be responsible for inculcating in the minds of the Board members the importance of management responsibilities in maintaining a sound system of internal control and the Board's oversight responsibility.

Duties and Responsibilities

- Provide oversight financial management functions specifically in areas of managing credit, market, liquidity, operational, legal and other risks of the Corporation, and crisis management;
- Provide oversight of the Corporation's internal and external auditors;
- Review and approve audit scope and frequency, and the annual internal audit plan;
- Discuss with the external auditor before the audit commences the nature and scope of the audit, and ensure coordination where more than one (1) audit firm is involved;
- Set up an internal audit department and consider the appointment of an internal auditor as well as an independent external auditor, the audit fee and any question of resignation or dismissal;
- Monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system;
- Receive and review reports of internal and external auditors and regulatory agencies, where applicable, and ensure that management is taking appropriate corrective actions, in a timely manner, in addressing control and compliance functions with regulatory agencies;

- Review the quarterly, half-year and annual financial statements before submission to the Board with particular focus on the following matters
 - Any change/s in accounting policies and practices
 - Major judgmental areas
 - Significant adjustments resulting from the audit
 - Going concern assumptions
 - Compliance with accounting standards
 - Compliance with tax, legal and regulatory requirements
- Coordinate, monitor and facilitate compliance with existing laws, rules and regulations;
- Evaluate and determine non-audit work by external auditor and keep under review the non-audit fees paid to the external auditor both in relation to their significance to the auditor and in relation to the Corporation's total expenditure on consultancy. The non-audit work should be disclosed in the Annual Report.
- Establish and identify the reporting line of the chief audit executive so that the reporting level allows the internal audit activity to fulfill its responsibilities. The chief audit executive shall report directly to the Audit Committee functionally. The Audit Committee shall ensure that the internal auditors shall have free and full access to the Corporation's records, properties and personnel relevant to the internal audit activity, and that the internal audit activity should be free from interference in determining the scope of internal auditing examinations, performing work, and communicating results, and shall provide a venue for the Audit Committee to review and approve the annual internal audit plan.

Compensation Committee

The Board may constitute a Compensation Committee composed of at least three (3) Director-members, one of whom shall be an independent director.

Duties and Responsibilities

- Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation's culture, strategy and control environment.
- Designate amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the Corporation successfully.
- Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of individual directors, if any, and officers.
- Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which, among others, compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired.
- Disallow any director to decide his or her own remuneration.
- Provide in the Corporation's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and ensuing year.
- Review the existing Human Resources Development or Personnel Handbook, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts.

Nomination Committee

The Board may constitute a Nomination Committee consisting of at least three (3) Director-members, one of whom shall be an independent director. The Head of the Human Resources Department shall be a non-voting ex-officio member.

The Nomination Committee may review and evaluate the qualifications of all persons nominated to the Board, as well as those nominated to other positions requiring appointment by the Board, and provide assessment on the Board's effectiveness in directing the process of renewing and replacing the Board's members.

The Nomination Committee may consider the following guidelines in the determination of the number of directorships for the Board:

- The nature of the business of the Corporations in which he is a director;
- Age of the director;
- Number of directorships/active memberships and officerships in other corporations or organizations; and
- Possible conflict of interest.

The Chief Executive Officer and other executive directors shall submit themselves to a low indicative limit on membership in other corporate Boards. The same low limit shall apply to independent, non-executive directors who serve as full-time executives in other corporations. In any case, the capacity of directors to serve with diligence shall not be compromised.

The Nomination Committee may pre-screen and shortlist all candidates nominated to become a member of the Board of Directors, taking into account the qualifications and the grounds for disqualifications as set forth in FLI's Manual of Corporate Governance and the Securities Regulation Code.

The Nomination Committee shall promulgate the guidelines or criteria to govern the conduct of the nomination for members of the Board of Directors. The same shall be properly disclosed in the Company's information or proxy statement or such other reports required to be submitted to the Securities and Exchange Commission (SEC).

The Nomination of independent directors shall be conducted by the Committee before the stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.

The Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for independent directors as set forth in the Company's Manual on Corporate Governance.

After the nomination, the Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for independent directors, which shall be made available to the SEC and all stockholders through the filing and distribution of the Information Statement, or in such reports the Company is required to submit to the SEC. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report including any relationship with the nominee.

Compensation of the Board of Directors and Officers:

Except for per diem of Php25,000 being paid to non-executive directors of the Filinvest Group for every meeting attended, there are no other arrangements to which directors are compensated, for any services provided as director, including any amounts payable for committee participation or special assignments.

Meanwhile, the aggregate compensation paid or incurred during the last two fiscal years to the non-independent Directors and top officers of FLI are as follows:

Name and Principal Position	2011			2010		
	Salaries	Bonus	Total	Salaries	Bonus	Total
Joseph M. Yap <i>President/CEO</i>						
Andrew T. Gotianun, Jr. <i>Vice-Chairman</i>						
Nelson M. Bona <i>Chief Finance Officer/SVP</i>						
Pablito A. Perez <i>First Vice President</i>						
Francis V. Ceballos <i>Senior Vice President</i>						
Total for the Chief Executive Officer and the four (4) highest paid officials	Php20M	Php3.9M	Php23.9M	Php14.9M	Php2.4M	Php17.3M
Total of all officers and directors as a group	Php41.5M	Php7.5M	Php49M	Php32.2M	Php5.4M	Php37.6M

Family Relationships

Mr. Andrew L. Gotianun, Sr. is the spouse of Mercedes T. Gotianun and the father of Mr. Andrew T. Gotianun Jr., Mr. Jonathan T. Gotianun, Mr. Michael Edward T. Gotianun and Ms. Josephine G. Yap. Ms. Yap is married to Mr. Joseph M. Yap.

External Auditor

The auditing firm of Sycip, Gorres, Velayo & Co. ("SGV") is the current independent auditor of FLI. There have been no disagreements with SGV on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

FLI, in compliance with SRC Rule 68(3)(b)(iv) relative to the five-year rotation requirement of its external auditors, has designated Mr. Michael C. Sabado its engagement partner starting CY2011. The representatives of SGV were present at the annual meeting held last April 15, 2011 where they had the opportunity to make a statement if they desired to do so. They were also expected to have been available to respond to appropriate questions at the meeting.

A. Audit and Audit-Related Fees

In consideration for the following professional services rendered by SGV as the independent auditor of FLI:

1. the audit of FLI's annual financial statements and such services normally provided by an external auditor in connection with statutory and regulatory filings or engagements for those fiscal years;
2. other assurance and related services by SGV that are reasonably related to the performance of the audit or review of FLI's financial statements,

SGV billed FLI for fees totalling Php866,000 and Php660,000 for fiscal years 2010 and 2011, respectively.

B. Tax Fees

For each of the last two fiscal years, SGV did not render services for tax accounting, compliance, advice and planning for which it billed FLI the corresponding professional fees.

C. All Other Fees

For each of the last two years, SGV did not render services in addition to the services described above for which it billed FLI the corresponding professional fees.

D. Approval Policies and Procedures for Independent Accountant's Services of Management/Audit Committee

In giving its stamp of approval to the audit services rendered by the independent accountant and the rate of the professional fees to be paid, the Audit Committee, with inputs from the management of FLI, makes a prior independent assessment of the quality of audit services previously rendered by the accountant, the complexity of the transactions subject of the audit, and the consistency of the work output with generally accepted accounting standards.

Shareholders' Rights

The Corporation recognizes that the most cogent proof of good corporate governance is that which is visible to the eyes of its investors. Therefore the following provisions are issued for the guidance of all internal and external parties concerned, as governance covenant between the Corporation and all its investors:

The Board shall be committed to respect the following rights of the stockholders:

A. Voting Right

1. Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.
2. Cumulative voting is mandatory in the election of directors.
3. A director shall not be removed without cause if it will deny minority shareholders representation in the Board.

B. Power of Inspection

All shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code, during business hours and upon prior written notice to the Corporation and for good reason.

All Shareholders shall be furnished with annual reports, including financial statements, without cost or restrictions.

C. Right to Information

1. The Shareholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the Corporation's shares, dealings with the Corporation, relationships among directors and key officers, and the aggregate compensation of directors and officers.
2. The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.
3. The minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting, being within the definition of "legitimate purposes".

D. Right to Dividends

1. Shareholders shall have the right to receive dividends subject to the discretion of the Board.
2. The Commission may direct the Corporation to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except: i) when justified by definite corporate expansion projects or programs approved by the Board; or ii) when the Corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or iii) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Corporation, such as when there is a need for special reserve for probable contingencies.

E. Appraisal Right

The Shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under the Corporation Code of the Philippines, under any of the following circumstances:

- In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence.
 - In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; and
 - In case of merger or consolidation.
- F. The Board should be transparent and fair in the conduct of the annual and special shareholders' meetings of the corporation.
- The shareholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the shareholder's favor.
- G. It shall be the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholders' rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The directors shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal constraints.

Dividend Policy and Dividends Paid

On January 8, 2007, the Board of Directors approved an annual cash dividend payment ratio for the Company's issued shares of twenty percent (20%) of its consolidated net income from the preceding fiscal year, subject to the applicable laws and regulations and the absence of circumstances which may restrict the payment of such dividends. Circumstances which could restrict the payment of cash dividends, include, but are not limited to, when the Company undertakes major projects and developments requiring substantial cash expenditures or when it is restricted from paying cash dividends by its loan covenants. The Company's Board may, at any time, modify such dividend payout ratio depending upon the results of operations and future projects and plans of the Company.

On June 30, 2008, FLI paid cash dividends of Php0.02 per share or a total of Php485.72 million to all shareholders on record as of June 15, 2008. This is equivalent to 28.5% of the Php1.704 billion in net income generated in 2007.

On June 9, 2009, FLI paid a cash dividend of Php0.033 per share or a total of Php800.242 million to all shareholders on record as of May 14, 2009. This is equivalent to 42.9% of the Php1.867 billion net income reported in 2008.

On June 9, 2010, FLI paid a regular cash dividend of Php0.017 and special cash dividend of Php0.016 per share or a total of Php800.242 million to all shareholders on record as of May 18, 2010. This is equivalent to 39.7% of 2009's Php2.018 billion net income.

On June 7, 2011, FLI paid a regular cash dividend of Php0.0196 and a special cash dividend of Php0.0196 per share or a total of Php950.59 million to all shareholders on record as of May 13, 2011. This is equivalent to 39.2% of 2010's Php2.246 billion core net income.

Annual Stockholders' Meeting and Procedures

Notice of Annual Stockholders' Meeting

Stockholders on record as of March 15, 2011 were entitled to attend and vote at the April 15, 2011 Annual Stockholders' Meeting.

Stockholders were informed that the Annual Stockholders' Meeting would be held at 9:00 am at Ballrooms 1 & 2, Mandarin Oriental, Makati Avenue, Makati City, Metro Manila.

On March 17, 2011, FLI disclosed to the Philippine Stock Exchange that its Board of Directors had fixed the date of the Annual Stockholders' Meeting for April 15, 2011 with the record date for those entitled to attend set for March 15, 2011.

On February 28, 2011, FLI disclosed to the Philippine Stock Exchange that the Executive Committee fixed the date of the Annual Stockholders' Meeting on April 15, 2011 and the record date on March 15, 2011.

On March 17, 2011, FLI disclosed to the Philippine Stock Exchange the Notice of Annual Stockholders' Meeting. Notices of the Annual Stockholders' Meeting and Audited Financial Statements were delivered to stockholders on record as of March 15, 2011 starting March 21, 2011.

Procedures During the Annual Stockholders' Meeting

The following was the agenda of the Annual Stockholders' Meeting last April 15, 2011:

1. Call to order
2. Proof of Notice of Meeting
3. Certification of Quorum
4. Approval of the Minutes of the Annual Stockholders' Meeting held on April 30, 2010
5. Presentation of the President's Report
6. Approval of the Audited Financial Statements for the Year 2010
7. Ratification of the Acts and Resolutions of the Board of Directors and Management for 2010
8. Election of the Members of the Board of Directors including two independent directors to serve for the year 2011-2012
9. Appointment of External Auditor
10. Other Matters
11. Adjournment

Only stockholders of record as of March 15, 2011 were entitled to attend and vote in the said meeting.

The following are the minutes of the Annual Stockholders' Meeting of FLI held on April 15, 2011:

- I. Call to order, certification of quorum

The Chairman of the Board, Mr. Andrew L. Gotianun, Sr. called the meeting to order and presided over the same.

The Corporate Secretary, Mr. Pablito A. Perez, certified that out of the 32,249,759,506 shares outstanding, 23,040,539,366 shares representing 71.44% thereof are present, in person or by proxy, and that thereof, there is a quorum present for the transaction of business by the stockholders.

II. Approval of the minutes of the Annual Meeting held on April 30, 2010

Upon motion duly made and seconded, and in the absence of any objection, the stockholders unanimously APPROVED the Minutes of the Stockholders' Meeting held on April 30, 2010 as presented in the Information Statement distributed to stockholders prior to the meeting.

III. Presentation of the President's report and approval of the Audited Financial Statements and of and for the year ended December 31, 2010 / Declaration of Cash Dividends

The President, Mr. Joseph M. Yap, presented in his report on the Company's operations for the year ended December 31, 2010, copies of which were distributed to the stockholders prior to the meeting, together with the Company's Audited Financial Statements for the same period. The President's report was supplemented by a powerpoint presentation on the operational and financial highlights of the Company for 2010. The President also announced to the stockholders that the Board of Directors approved during its meeting on April 15, 2011 the declaration of cash dividend of Php0.039 per share payable on June 7, 2011 with record date on May 13, 2011. After the presentation, the Company's President and Corporate Secretary responded to the various queries and clarifications raised by some stockholders who attended the meeting.

Thereafter, and upon proper motion duly made and seconded, the stockholders, in the absence of any objection, NOTED the President's Report and APPROVED the Company's Audited Financial Statements as of and for the year ended December 31, 2010.

IV. Ratification of all Acts and the Resolutions of Directors and Management for the Year 2010 to date

The next item in the agenda was the ratification by the stockholders of all acts, resolutions and proceedings of the outgoing Board of Directors and Officers of the Company for the year 2010 to date. On motion duly made and seconded, in the absence of any objection, the stockholders APPROVED, RATIFIED AND CONFIRMED all acts, transactions, resolutions and proceedings of the Board of Directors and Officers of the Company for the year 2010 to date.

V. Election of Members of the Board of Directors for the year 2011-2012

The Chairman proceeded to the next item in the agenda, which is the election of the members of the Board of Directors of the Company for the year 2011-2012. The Corporate Secretary announced the names of the candidates pre-screened by the Nominations Committee, including Messrs. Lamberto U. Ocampo and Cirilo T. Tolosa as the nominees for the board seats allotted for the independent directors of the Company. The Secretary confirmed that there were no other nominations submitted within the period allowed under the Company's By-laws.

On the motion duly made and seconded, the stockholders elected the following as members of the Board of Directors for the ensuing year:

Andrew L. Gotianun, Sr.
Andrew T. Gotianun, Jr.
Joseph M. Yap
Lourdes Josephine G. Yap
Jonathan T. Gotianun

Cornelio G. Gison
Efren C. Gutierrez
Cirilo T. Tolosa (as independent director)
Lamberto U. Ocampo (as independent director)

VI. Appointment of External Auditors

On motion duly made and seconded, and in the absence of any objection, the stockholders APPROVED the appointment of SGV & Co. as the external auditor for the year 2011.

VII. Adjournment

There being no other matters to discuss, the meeting was adjourned at 10:30 a.m.

On the same day, right after the stockholders' meeting, FLI disclosed to the Philippine Stock Exchange the results of the annual stockholders' meeting, which included the following:

- a. Approval of the Minutes of the Annual Stockholders' Meeting held on April 30, 2010
- b. Approval of the Audited Financial statements for the year ended 2010
- c. Ratification of the acts and resolutions of the Board of Directors and corporate officers for the year 2010
- d. Appointment of SGV & Co. as the Corporation's external auditor for the year 2011-2012
- e. Election of the Board of Directors

FLI also made another disclosure to the Philippine Stock Exchange regarding the declaration of the Board of Directors of a cash dividend for all stockholders on record as of May 13, 2011 in the amount of Php0.039 per share broken down as Regular Cash Dividend of Php0.0196 per share and Special Cash Dividend of Php0.0196 per share. Payment date was set for June 7, 2011.

Statutory Compliance

FLI fully complied with the Philippine Stock Exchange (PSE) and Securities and Exchange Commission (SEC) regulatory requirements. Below is the Company's Reportorial Compliance Report:

Type of Report	Number of Filings
Financials	
Annual Report (17-A)	1
Quarterly Report (17-Q)	3
Ownership	
Annual List of Stockholders – for Annual Stockholders' Meeting	1
Foreign Ownership Monitoring Report	12
Public Ownership Report	4
Report on Number of Shareholders and Board Lot	12
Statement of Changes in Beneficial Ownership of Securities (23-B)	20
Top 100 Stockholders' List	4
Notices – Stockholders' Meetings/Briefings/Dividends	
Notice of Annual/Special Stockholders' Meeting	1
Dividend Notice (part of disclosure on Results of Stockholders' Meeting)	1
Notice of Analysts' Briefing	4
Other Disclosures	
Certification – Qualifications of Independent Directors	1
Certification – Attendance of Directors in Board Meetings	1
Certification – Compliance with Manual on Corporate Governance	1
Clarifications of News Articles	3
Definitive Information Statement (20-IS)	1
General Information Sheet	1
Preliminary Information Statement (20-IS)	1
SEC Form 17-C (Current Report)	24
Which includes the following:	
a) Results of Annual Stockholders' Meeting/Board Meetings (6)	
b) Press Releases (12)	
c) Other Matters (6)	
i. Chief Information Officer (3)	
ii. Statement on Impact on Operations of Tsunami in Japan (1)	
iii. FLI to participate in FTI bidding (1)	
iv. PDEX approves listing of bonds (1)	

Investor Relations

FLI's website, www.filinvestland.com, makes available to the public, current information on the Company, including details of its operations.

The Investor Relations section of the website provides information on financial statements, press releases, declaration of dividends, ownership structure and any changes in the ownership of major shareholders and officers, notice of analysts' briefings, other reportorial requirements by the Philippine Stock Exchange.

The contact details of the Investor Relations Department are available in the website.

To meet the requirements of FLI's investors, the Company conducted four (4) Analysts' Briefings in 2011:

1. On March 25, 2011 at the FCC Marketing Office in Filinvest Corporate City for Full Year 2010 results
2. On May 6, 2011 at the FCC Marketing Office in Filinvest Corporate City for First Quarter 2011 results;
3. On August 12, 2011 at the FCC Marketing Office in Filinvest Corporate City for First Half 2011 results; and
4. On November 11, 2011 at the FCC Marketing Office in Filinvest Corporate City for First Nine Months of 2010 results

In 2011, FLI also participated in eight (8) conferences organized by different stock brokerages in Hong Kong, Singapore and the Philippines.

On March 16, 2012, FLI conducted an analysts' briefing at the FCC Marketing Office in Filinvest Corporate City for Full Year 2011 results.

FILINVEST LAND, INC.
BOARD OF DIRECTORS

Jonathan T. Gotianun
Director

Lamberto U. Ocampo
Independent Director

Cornelio C. Gison
Director

Efren C. Gutierrez
Director



Cirilo T. Tolosa
Independent Director

Andrew L. Gotianun, Sr.
Chairman

Mercedes T. Gotianun
Chairman Emeritus

Josephine Gotianun Yap
Co-Vice Chairman

Andrew T. Gotianun, Jr.
Co-Vice Chairman

Joseph M. Yap
President & CEO

SENIOR MANAGEMENT



STANDING (L-R) **Steve C. Chien**, SVP-International & Special Projects; **Francis V. Ceballos**, SVP-Cluster Head; **Reynaldo A. Ascaño**, FVP-Cluster Head; **Nelson M. Bona**, SVP-Chief Financial Officer; **Efren M. Reyes**, SVP-Controllershship & Operations; **Pablito A. Perez**, FVP-Legal Department Head;
 SEATED (L-R) **Winnifred H. Lim**, FVP- Chief Technical Planning Officer; **Julian V. Concepcion**, FVP-Project Group Head;
Ana Venus A. Mejia, SVP- Deputy Chief Financial Officer; **Tristaneil D. Las Marias**, FVP-Cluster Head



STANDING (L-R) **Antonio E. Cenon**, FVP-Permits & Licenses; **Jimmy S. Roque**, VP-Planning Head; **Luis T. Fernandez**, FVP-HOA & Water Systems;
Gilberto B. Abanto, VP-Security Services; **Michael Edward T. Gotianun**, VP-Filinvest; **Grace Marie M. Bada**, VP-Information Technology Head
 SEATED (L-R) **Bernadette M. Ramos**, VP-Group Real Estate Marketing; **Ma. Teresita Abad-Santos**, FVP-Cluster Head;
Rizalangela L. Reyes, VP-Customer Care & HRAD; **Janette C. Manlangit**, VP-Project Group Head
 NOT IN PHOTO: **Reynaldo Juanito S. Nieva**, VP-Operations Head

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Thousands of Pesos)

	December 31	
	2011	2010
ASSETS		
Cash and cash equivalents	₱1,153,306	₱1,758,725
Contracts receivable	8,452,908	7,845,871
Due from related parties	246,757	185,922
Other receivables	2,483,014	1,603,566
Financial assets at fair value through other comprehensive income	24,626	–
Available-for-sale financial assets	–	123,070
Real estate inventories	19,064,138	15,141,005
Land and land development	14,091,543	12,807,811
Investment in an associate	3,799,798	4,276,391
Investment properties	12,201,609	11,599,167
Property and equipment	1,289,870	1,474,952
Deferred income tax assets	18,071	15,312
Other assets	909,248	467,703
Goodwill	4,567,242	4,567,242
	₱68,302,130	₱61,866,737
LIABILITIES AND EQUITY		
Liabilities		
Accounts payable and accrued expenses	₱6,154,962	₱6,340,028
Income tax payable	183,208	163,870
Loans payable	8,511,007	6,961,167
Bonds payable	7,977,009	4,949,241
Due to related parties	48,411	82,643
Retirement liabilities	59,208	48,440
Deferred income tax liabilities - net	1,687,326	1,630,097
Total Liabilities	24,621,131	20,175,486
Equity		
Common stock	24,470,708	24,470,708
Preferred stock	80,000	80,000
Additional paid-in capital	5,612,321	5,612,321
Treasury stock	(221,041)	(221,041)
Retained earnings	13,379,836	11,390,088
Revaluation reserve on financial assets at fair value through other comprehensive income	(2,619)	–
Revaluation reserve on available-for-sale financial assets	–	(2,619)
Share in other components of equity of an associate	361,794	361,794
Total Equity	43,680,999	41,691,251
	₱68,302,130	₱61,866,737

CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands of Pesos, Except Earnings Per Share Figures)

	Years Ended December 31		
	2011	2010	2009
REVENUE	P6,953,469	P5,652,374	P3,674,751
Real estate sales	1,528,290	1,411,269	1,187,442
Rental Services			
EQUITY IN NET EARNINGS OF AN ASSOCIATE	63,407	55,217	37,527
OTHER INCOME			
Interest income	542,113	565,355	400,708
Foreign currency exchange gain – net	1,304	8,565	2,404
Others	564,101	502,952	380,981
	9,652,684	8,195,732	5,683,813
COSTS			
Real estate sales	3,612,285	2,996,824	1,788,853
Rental Services	425,653	400,884	374,604
OPERATING EXPENSES			
General and administrative expenses	920,892	800,104	665,386
Selling and marketing expenses	742,408	593,588	480,215
INTEREST AND OTHER FINANCE CHARGES	469,400	416,655	208,281
	6,170,638	5,208,055	3,517,339
INCOME BEFORE INCOME TAX	3,482,046	2,987,677	2,166,474
PROVISION FOR (BENEFIT FROM) INCOME TAX			
Current	488,062	475,029	253,351
Deferred	53,644	86,720	(105,077)
	541,706	561,749	148,274
NET INCOME BEFORE EXTRAORDINARY GAIN	2,940,340	2,425,928	2,018,200
Gain from remeasurement of previously held interest in a business combination	--	517,240	--
Excess of fair value of net identifiable assets over consideration transferred in a business combination	--	9,058	--
NET INCOME INCLUDING EXTRAORDINARY GAIN	2,940,340	2,952,226	2,018,200
NET INCOME FROM REGULAR OPERATIONS OR CORE NET INCOME	2,940,340	2,425,928	2,018,200
EARNINGS PER SHARE			
Basic / Diluted	P0.12	P0.12	P0.09

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands of Pesos)

	Years Ended December 31		
	2011	2010	2009
NET INCOME FOR THE PERIOD	₱2,940,340	₱2,952,226	₱2,018,200
OTHER COMPREHENSIVE INCOME			
Share in other components of equity of an associate	–	361,794	–
TOTAL COMPREHENSIVE INCOME	₱2,940,340	₱3,314,020	₱2,018,200

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands of Pesos)

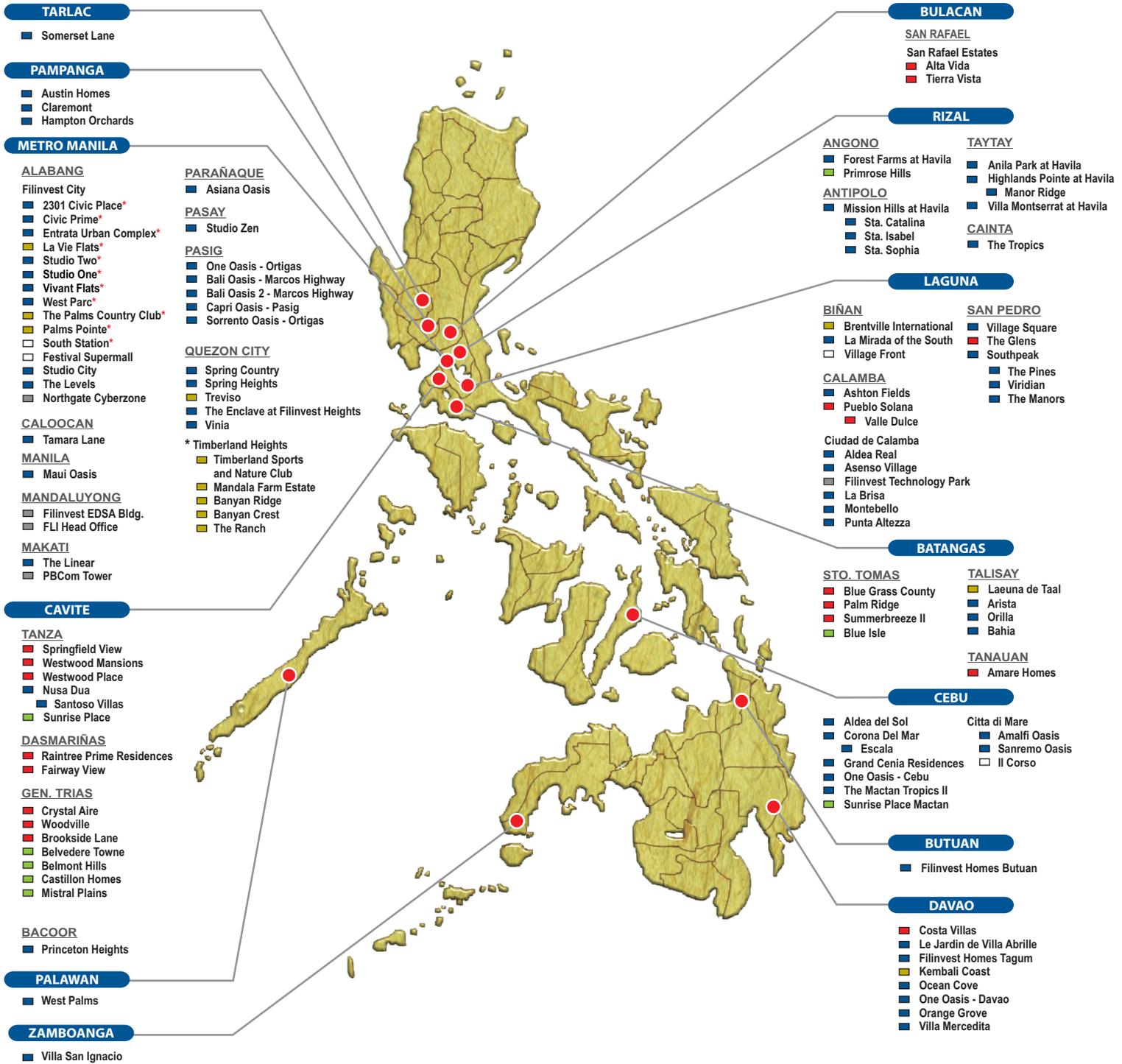
	Common Stock	Preferred Stock	Additional Paid-in	Treasury Stock	Retained Earnings	Revaluation reserve on Financial Assets at FVTOCI	Revaluation Reserve on Available-for-sale Financial Assets	Share in Revaluation Increment on Land at Deemed Cost of an Associate	Share in Other Components of Equity of an Associate	Total
For the Year Ended December 31, 2011										
Balances as of December 31, 2010, as previously stated	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱9,513,666	₱-	(₱2,619)	₱1,876,422	₱361,794	₱41,691,251
Reclassification of share in revaluation increment on land at deemed cost of an associate	-	-	-	-	1,876,422	-	-	(1,876,422)	-	-
Balances as of December 31, 2010, after reclassification	24,470,708	80,000	5,612,321	(221,041)	11,390,088	-	(2,619)	-	361,794	41,691,251
Effect of initial application of PFRS 9	-	-	-	-	-	(2,619)	2,619	-	-	-
Balances as of January 1, 2011	24,470,708	80,000	5,612,321	(221,041)	11,390,088	(2,619)	-	-	361,794	41,691,251
Comprehensive income:										
Net income for the year	-	-	-	-	2,940,340	-	-	-	-	2,940,340
Dividends	-	-	-	-	(950,592)	-	-	-	-	(950,592)
Balances as of December 31, 2011	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱13,379,836	(₱2,619)	₱-	₱-	₱361,794	₱43,680,999
For the Year Ended December 31, 2010										
Balances as of December 31, 2009	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱7,361,682	₱-	(₱2,619)	₱1,876,422	₱-	₱39,177,473
Reclassification of share in revaluation increment on land at deemed cost of an associate	-	-	-	-	1,876,422	-	-	(1,876,422)	-	-
Balances as of December 31, 2009, after reclassification	24,470,708	80,000	5,612,321	(221,041)	9,238,104	-	(2,619)	-	-	39,177,473
Comprehensive income:										
Net income for the year	-	-	-	-	2,952,226	-	-	-	-	2,952,226
Share in other components of equity of an associate	-	-	-	-	-	-	-	-	361,794	361,794
Total comprehensive income	-	-	-	-	2,952,226	-	-	-	361,794	3,314,020
Dividends	-	-	-	-	(800,242)	-	-	-	-	(800,242)
Balances as of December 31, 2010	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱11,390,088	₱-	(₱2,619)	₱-	₱361,794	₱41,691,251
For the Year Ended December 31, 2009										
Balances as of January 1, 2009	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱6,143,724	₱-	(₱2,619)	₱1,876,422	₱-	₱37,959,515
Reclassification of share in revaluation increment on land at deemed cost of an associate	-	-	-	-	1,876,422	-	-	(1,876,422)	-	-
Balances as of January 1, 2009, after reclassification	24,470,708	80,000	5,612,321	(221,041)	8,020,146	-	(2,619)	-	-	37,959,515
Comprehensive income:										
Net income for the year	-	-	-	-	2,018,200	-	-	-	-	2,018,200
Dividends	-	-	-	-	(800,242)	-	-	-	-	(800,242)
Balances as of December 31, 2009	₱24,470,708	₱80,000	₱5,612,321	(₱221,041)	₱9,238,104	₱-	(₱2,619)	₱-	₱-	₱39,177,473

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands of Pesos)

	Years Ended December 31		
	2011	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱3,482,046	₱3,513,975	₱2,166,474
Adjustments for:			
Interest income	(542,113)	(565,355)	(400,708)
Interest expense	445,482	377,537	179,930
Depreciation and amortization	287,120	269,398	247,479
Equity in net earnings of an associate	(63,407)	(55,217)	(37,527)
Loss on redemption of financial assets at fair value through other comprehensive income	1,782	-	-
Dividend income	(51)	(772)	(1,548)
Excess of fair value of net identifiable assets over consideration transferred in a business combination	-	(9,058)	-
Gain from remeasurement of previously held interest in a business combination	-	(517,240)	-
Gain on sale of investment property	-	-	(14,454)
Operating income before changes in operating assets and liabilities	3,610,859	3,013,268	2,139,646
Changes in operating assets and liabilities			
Decrease (increase) in:			
Contracts receivable	(607,037)	(183,205)	201,038
Due from related parties	(60,835)	42,636	(105,276)
Other receivables	(879,448)	(163,173)	163,270
Real estate inventories	(4,153,392)	(2,673,950)	(1,429,335)
Other assets	(277,700)	3,365	(74,753)
Increase (decrease) in:			
Accounts payable and accrued expenses	196,609	(351,777)	(121,951)
Retirement liabilities	10,768	11,042	4,707
Net cash generated from (used in) operations	(2,160,176)	(301,794)	777,346
Interest received	544,780	572,311	390,927
Income taxes paid	(522,368)	(384,929)	(291,230)
Dividends received	51	772	1,548
Net cash provided by (used in) operating activities	(2,137,713)	(113,640)	878,591
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of raw land	(1,053,473)	(762,241)	(506,713)
Acquisitions of investment properties and property and equipment	(804,171)	(221,422)	(163,678)
Dividends received from associate	540,000	-	-
Proceeds from maturity of financial assets at fair value through other comprehensive income	93,662	-	-
Proceeds from maturity of available-for-sale securities	-	242,172	-
Acquisitions of available-for-sale securities	-	(95,444)	(219,910)
Proceeds from sale of investment properties	-	-	35,679
Acquisition of businesses - net of cash acquired	-	(920,698)	-
Net cash used in investing activities	(1,223,982)	(1,757,633)	(854,622)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loans availment	₱4,220,000	₱120,000	₱-
Proceeds from bond offering	3,000,000	-	4,936,405
Payments of loans payable	(2,652,667)	(606,833)	(61,600)
Payments of cash dividend	(950,592)	(800,242)	(800,242)
Interest paid	(826,233)	(876,122)	(571,783)
Increase (decrease) in amounts due to related parties	(34,232)	35,923	(202,495)
Net cash provided by (used in) financing activities	2,756,276	(2,127,274)	3,300,285
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(605,419)	(3,998,547)	3,324,254
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,758,725	5,757,272	2,433,018
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱1,153,306	₱1,758,725	₱5,757,272

MAP OF PROJECTS



LEGEND:

- PREMIERE (LEISURE & RESIDENTIAL / COUNTRY CLUB)
- FILINVEST
- FUTURA
- SOCIALIZED
- Quezon City Environs
- Filinvest Alabang, Inc. projects
- RETAIL / COMMERCIAL
- OFFICE / IT / BUSINESS PARK

FILINVEST

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